

Leahy-Smith America Invents Act

Presented by

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Overview

- Enacted: September 16, 2011, with various effective dates
- The first major overhaul of the U.S. patent system since 1952
- It brings the US patent system more in line with the practice in most other countries
- Goals:
 - allow for faster patent examination
 - improve the quality of issued patents
 - reduce the litigation costs
 - create more jobs

Sections Relevant to Small Businesses

- Sec. 3: First Inventor to File
- Sec. 5: Prior Commercial Use
- Sec. 6: Post-Grant Review
- Sec. 16: Marking
- Sec. 17: Advice of Counsel

Section 3: First Inventor to File

- Effective: March 16, 2013
- First to invent (current U.S.) v. First to file (abroad)
- Not Absolute Novelty: first inventor to file, with certain exceptions, is entitled to patent
- One year grace period remains, but only for “disclosure” (not defined) directly or indirectly from inventor, not for prior art by anyone else
- Expanded Definition of “Prior Art:” non-U.S. offers for sale and public uses are prior art, not just U.S. offers for sale and public uses

Section 3: First Inventor to File

- Different systems produce different results
 - **Example:**
 - *Adam invents*
 - *Bob invents*
 - *Bob files application*
 - *Adam files application*

First to File (abroad)

- Bob wins as first to file, even though invented second. Adam cannot “swear behind” Bob’s filing date to prove prior invention.

First to Invent (U.S. until 2013)

- Adam wins as first to invent, even though filed second. Adam can “swear behind” Bob’s filing date to prove prior invention.

Section 3: First Inventor to File

- One year grace period for inventor's own prior art
- Example:
 - *Adam invents*
 - *Adam publishes or sells invention*
 - *Adam files application within 1 year of his publication or sale*
- Adam's publication or sale is not prior art (1 year grace period for inventor)

Section 3: First Inventor to File

- One year grace period only for inventor's own prior art
 - Example:
 - Adam invents
 - Adam publicly discloses
 - Bob files application within 1 year of Adam's public disclosure
 - Adam files application within 1 year of Adam's public disclosure
 - Adam wins as first inventor to file: Adam was first to publicly disclose and filed within 1 year grace period of his own public disclosure
- Example:
 - Adam invents
 - Bob invents
 - Bob sells invention
 - Adam files application within 1 year of Bob's sale
- Adam loses as first inventor to file: Bob's sale is prior art to Adam (1 year grace period only for Bob). Adam cannot "swear behind"

Section 3: First Inventor to File

- Another's U.S. patent is **NOT** prior art against you if subject matter of that patent was disclosed to the other by the inventor (you) - directly or indirectly
- Example:
 - *Adam discloses invention privately at trade show to Bob, who then discloses to Ed*
 - *Ed files U.S. application on invention that issues as U.S. patent*
 - *Adam files U.S. application on invention after Ed*
- Adam wins, even though Ed is first to file, as Adam can show that Ed's invention came indirectly from Adam

Section 3: First Inventor to File

- Example (within grace period):
 - Adam publicly discloses invention
 - Bob files U.S. application that is published
 - Adam files U.S. application after Bob but **within** 1 year of Adam's public disclosure
- Adam wins as first inventor to file, even though Bob is first inventor to file: Adam's public disclosure removes Bob's published application as prior art. Date of invention is irrelevant.
- Example (no grace period):
 - Adam publicly discloses invention
 - Bob files U.S. application that is published
 - Adam files U.S. application after Bob but **more than 1 year** after Adam's public disclosure
- Adam and Bob both lose! Adam's public disclosure is prior art to Bob and also prior art to Adam, as Adam missed the 1 year grace period.

How to Proceed?

- File provisional applications early and often to preserve U.S. and foreign rights
 - Should be as complete as possible to support later non-provisional application claims
 - File provisional applications at each stage of development
- Critical to file non-provisional U.S. and/or PCT application within 1 year of earliest provisional application
- Early publication is only helpful if the invention is complete and if no foreign rights are desired

Section 5: Prior Commercial Use

- Defense to infringement based on prior commercial use
- Amends 35 U.S.C. § 273 to allow a defense based on an internal commercial use (e.g., trade secret or confidential process)
- Commercial use must be 1 year before
 - *(i) the filing date of the application, or*
 - *(ii) the first disclosure of the patented invention*

Section 5: Prior Commercial Use

- Person asserting this defense has the burden of establishing it by clear and convincing evidence
- Personal defense – only person who performed or directed performance of the commercial use
- Commercial use cannot be derived from the patentee or its privies

Section 5: Prior Commercial Use

- Caveat: If defense is pled by one found to infringe and who fails to demonstrate a reasonable basis for asserting the defense, the court shall find the case exceptional!
- Effective Date: applies to any patent issued since Sept. 16, 2011

Section 6: Post-Grant Review

- Existing procedures:
 - *Ex Parte* Reexamination
 - *Inter Partes* Reexamination
- New procedures resulting from the AIA:
 - *Post-Grant Review*
 - *Issuance through first 9 months*
 - *Broad review: prior sale/use; indefiniteness*
 - *Inter Partes Review*
 - *Patents issued for at least 9 months*
 - *Narrower review: printed publications*
 - *Supplemental Examination (Section 12)*
 - *Patent owner can submit info to correct errors*

Section 16: Marking

- Subsection (a): Virtual Marking
- New Language:
by fixing thereon the word ‘patent’ or the abbreviation ‘pat.’ together with an address of a posting on the Internet, accessible to the public without charge for accessing the address, that associates the patented article with the number of the patent
e.g., Patents: www.rim.net/patents
- Effective: now

Section 16: Marking

- Subsection (b): False Marking
- Death toll for False Marking Trolls
 - *Only the government may sue for statutory damages*
 - *Competitors may sue but only recover actual damages*
- An expired patent number on a product is not false marking
- Effective: retroactive!

Section 17: Advice of Counsel

- Effective: Sept. 16, 2012
- Failure to obtain advice of counsel with respect to any allegedly infringed patent may not be used to prove the accused infringer willfully infringed the patent or induced infringement
- Overrules *Broadcom Corp. v. Qualcomm Inc.*, 543 F.3d 683, 699 (Fed. Cir. 2008) (may consider whether def. sought a legal opinion as one factor in assessing whether, under the totality of the circumstances, any infringement by def. was willful)
- Makes proving willfulness even more difficult

The End

Questions?